

**Department of Telecommunications and Energy
First Set of Information Requests**

**THE BERKSHIRE GAS COMPANY
DTE 04-116**

Witness: Richard E. Nasman
Date: May 13, 2005

Question

DTE GAS 1-1: Please explain how your company calculates and measures each of the following service quality performance measures with regard to (i) variable definition and measurement; (ii) data-collection methods; (iii) data quality issues; and (iv) data analysis and interpretation. Illustrate where possible.

- a) Non Emergency Telephone Answering Factor
- b) Emergency Telephone Answering Factor
- c) Service Appointments kept
- d) Meter Reads
- e) Lost Time Accident Rate
- f) Response to Odor Calls
- g) Staffing Levels
- h) Consumer Division cases
- i) Restricted Work Day Rate
- j) Unaccounted for Gas

Response: Non Emergency Telephone Answering Factor

All telephone calls received by the Company are tracked through the Company's computerized telephone or Customer Information System ("CIS"). Calls are tracked from the time the caller selects the type of call in the automated attendant system feature to the time the call is answered. Non-emergency telephone calls are calls relating to service and billing matters. Call are categorized and response time measured for the following categories (referred to as "skill sets" within the Company): (i) Billing; (ii) Collections-Commercial; (iii) Collections - Residential; (iv) Connect/Disconnect - Commercial; (v) Connect/Disconnect - Residential; (vi) DTE (i.e., related to Consumer Division cases); and (vii) Emergency.

Reports are generated through the CIS system describing all calls answered for each category, the number of calls for each category answered within 45 seconds, the percentage of calls answered within 45 seconds, the number of calls answered within 20 seconds and the percentage of calls answered within 20 seconds. This report is forwarded to the Company's Customer Field Service Department where the data is transferred on a monthly basis to a standardized spreadsheet format that comports to the format required for the approved SQ Guidelines. The accuracy of the report is then checked within the Customer Field Service Department for accuracy and completeness. This spreadsheet is retained for preparation of the annual SQ report. These reports are also verified for accuracy by the Company's internal audit department.

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DTE GAS 1-1 (cont'd.):

Emergency Telephone Answering Factor

Data for tracking emergency telephone calls is collected, compiled and checked for accuracy in the same manner as non-emergency calls.

Service Appointments Kept

Customer appointments for service calls are initially tracked at the original time an appointment is scheduled. The scheduling data is manually entered into the CIS system at that time. The initial entry, referred to as a "work order," includes the customer name, address, required work and scheduled time for such work. Work assignments are then allocated each day to service technicians through the Company's Dispatch Department.

Service technicians must complete a work order "closure report" for each opened work order. This report will include a range of field data of information including the resolution of the substantive work required by the customer, the technician's arrival time at the customer premises and the technician's departure time. Information from these reports is manually entered into the CIS system and checked by the Customer Field Service Department. When appointments are rescheduled by either party, the work order schedule is revised and such change is reflected in the CIS system.

Each month a report is generated from the CIS system that provides data on all service work, service appointments kept on the day scheduled, service appointments that were not kept on the day scheduled and percentages for both such categories. These reports are reviewed for accuracy by the Customer Field Service Department. The Company also reviews the reports for work orders not met on the scheduled day to determine the bases for such occurrences and to refine Company procedures so as to enhance service performance. The monthly data is then compiled into the established form for SQ reporting to the Department and checked. The Customer Field Service Department authorizes requisite \$25.00 payment. The Company's internal audit department verifies this information for accuracy.

Meter Reads

Meters are read for each month employing the Company's electronic meter reading equipment. Automated meter reading devices or hand held devices are employed by the Company's meter reading technicians. The Company's meter reading software creates a report on the results of each day's meter reading efforts and identifies areas where follow-up is required. The billing system also is employed to create a monthly report in spreadsheet form. This data is organized and tracked to show the number of meters read for

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each month and meters for which the Company was unable to collect an actual reading. This monthly data is then promptly compiled in the form consistent with the established SQ reporting Guidelines. Meter reading results, like all SQ reports, are also reviewed for purposes of enhancing Company performance. The Company's internal auditing department reviews these reports for accuracy.

Lost Time Accident Rate

At the end of each month, the Company's Human Resources Department forwards the OSHA "log" to the Manager of the Company's Customer Field Service Department as part of the SQ compliance program. The report is reviewed and data with respect to the number of lost time accidents is transferred to a spreadsheet. At the same time, the Company's Accounting Department also provides a report showing the total number of hours worked for the month by Berkshire Gas employees. This information is also transferred to the above-described spreadsheet. The spreadsheet is then employed to make a monthly calculation of the lost time accident rate pursuant to the formula specified in the SQ Guidelines. The results of this analysis are the compiled into the standard form for SQ performance reporting. The Company's internal auditing department verifies this information for accuracy.

Response to Odor Calls

The Company's Dispatch Department manually records a range of data with respect to each odor call. The first data entry is the time that the call is received (which call may be directly answered by the Dispatch Department or the Dispatch Department may take call time data from the CIS system).

The Company next dispatches appropriate technicians based on the reported nature of the call to respond to the specified location. The time of dispatching a technician is also recorded. The Company's operating procedures require technicians to "code" (i.e., make a radio call at the time of arrival so that the Dispatch Department knows that a technician is on the scene). The time of arrival is recorded by the Dispatch Department. Finally the technician is required to call in or "code" the Dispatch Department with the results of the investigation, the description of any activities completed and the time of completion.

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Each report from the Dispatch Department is, in turn, reviewed each month by the Customer Field Service Department. The review identifies calls where the technician did not arrive on the scene within 60 minutes of receipt of the call and also identifies and deletes "duplicate" calls (i.e., calls that are for the same incident or location). The percentage of calls responded to within 60 minutes is identified and compiled in the required reporting format. The Company's internal auditing department verifies these reports for accuracy.

Staffing Levels

As is our understanding consistent with G.L. c. 164, §1E, the Company annually reports the number of its collective bargaining employee as of December 31 of the reporting year. Obviously, these staffing levels may vary due to retirements, employees leaving the company, etc. The Company has computed and reports a mean for this standard calculated consistent with the D.T.E.'s February 6, 2003 memorandum and reflects union positions associated with the Company's regulated utility operations as also reflected in the Company's base rates. See D.T.E. 01-56 (2003). The Company notes that this standard is calculated consistent with G.L. c. 164, §1E and reflects changes made pursuant to collective bargaining agreements and other Department decisions.

Consumer Division Cases

The Department generates and delivers a monthly report for the Company reflecting the number of Consumer Division cases for that month. The Customer Field Service Department reviews this report and, if appropriate, seeks clarification or reconciliation from the Department.

Restricted Work Day Rate

Restricted work date rate performance is tracked and analyzed in the same manner as lost time accident rate performance.

Unaccounted For Gas

At the end of each month the total sendout and the unaccounted for gas numbers recorded on the operating report are entered in a spreadsheet. These numbers are calculated simply as the difference between (i) gas measured at the Company's take stations and (ii) the total amount of gas registered through the Company's end users meters. It is the same data used to calculate unaccounted for gas that is recorded on the DOT annual report. A percentage of unaccounted for gas is then calculated and this information is employed in preparing reports consistent with the SQ Guidelines. The internal auditing department then verifies accuracy.

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DTE GAS 1-2: Please discuss any problems that your company has had in the calculation and measurement of the service quality performance measures and how the company dealt with them.

Response: The Company has not had material difficulty in calculating any of the performances measures. The Company notes that there was a slight delay in implementing an enhanced telephone system able to satisfy the new requirements of the SQ Guidelines. This factor has been described in prior annual reports of the Company. The Company notes that its familiarity and experience with the Guidelines and associated requirements has contributed to enhanced efficiencies in this area. The Company expects that material changes in SQ standards would require equipment and procedural changes with associated cost and ramp up requirements.

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DTE GAS 1-3: Please discuss the advantages and disadvantages of standardizing the calculation and measurement of the service quality performance measures. In addition, discuss any problems that your company specifically would have if the Department were to standardize the calculation and measurement of the service quality performance measures.

Response: The Company believes that unless identical services, programs, operations and procedures are put in place at each Company, the standardization of performance measurement would not be cost-effective or beneficial. There are differences between companies' operations and procedures. It is also felt that in order to provide this level of standardization that the Department is inquiring into, would likely involve some significant changes to Company's programs and systems already in place (e.g. information systems, equipment) that would involve additional costs. The Company does not expect that there is a cost-benefit justification for such modifications. Should such standardization be considered moving forward, the Company submits that such cost-benefit consideration be performed and appropriate rate plan adjustments made.

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DTE GAS 1-4: Please propose a method for standardizing the calculation and measurement of each performance measure listed in DTE-GAS 1-1 with regard to (i) variable definition and measurement; (ii) data-collection methods; (iii) data quality issues; and (iv) data analysis and interpretation.

Response:

As outlined in the Company's Initial and Reply Comments in this proceeding, and echoed in the comments of the other LDCs, there are significant inherent differences among utilities in terms of operating conditions, location, geography, system design, weather and information systems. The Company puts forward that it is not plausible to propose a method for standardizing the calculation and measurement of each performance measure listed in DTE-GAS 1-1 for several reasons. First, the report of Navigant Consulting, Inc. titled Summary of Findings Related to Service-Quality Benchmarking Efforts and dated December 19, 2002 specifically found that "... the degree of accuracy in reported data is a direct function of the methods and systems employed to collect the data." NCI, p. 17. Berkshire believes that its data collection and analytical methods are accurate and appropriate. Any enhancement pursued by a particular utility would most logically reflect and be based upon that utility's operating conditions and practices. Alternatively, mandatory standardization of such procedures could be imposed but such a requirement would involve more significant costs and some accuracy concerns as new procedures are implemented and refined. In addition the Company submits that imposing a new method for standardization is not beneficial since its introduction would render the existing historical data and established benchmarks useless; there would be a significant amount of time from the initiation of the new measurement system and its data collection to the time that new "replacement" benchmarks could be established. Finally, since Berkshire has streamlined its procedures since the introduction of SQ and established consistency in its reporting from year-to-year, a change to a new standardized methodology may require the need for adjustments to other aspects of its PBR plan that were not previously required. See response to Information Request DTE GAS 1-2.